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Reports of UNDP, UNFPA and UNOPS Ethics Offices

Activities of the UNDP Ethics Office in 2016

Report of the Ethics Office

Summary

Pursuant to decision 2008/37 of the Executive Board, the UNDP Ethics Office submits the present report which covers its activities in 2016. In accordance with the Secretary-General's bulletin on United Nations system-wide application of ethics, separately administered organs and programmes (ST/SGB/2007/11), the Ethics Panel of the United Nations reviewed the report at its 89th session on 8 February 2017 and the report was subsequently presented to the Administrator of UNDP.

This is the ninth annual report presented by the Ethics Office since its establishment in 2007.

Elements of a decision

The Executive Board may wish to take note of the present report and comment on progress made by the UNDP Ethics Office in strengthening the ethical culture of UNDP, including training, raising ethics awareness and protection against retaliation.

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I. Introduction

1. The present report is submitted pursuant to Executive Board decision 2008/37 and highlights the work of the UNDP Ethics Office in 2016, in accordance with its mandate to "cultivate and nurture a culture of ethics, integrity and accountability, and thereby enhance the trust in and credibility of the United Nations, both internally and externally", as stipulated in Secretary-General's bulletin ST/SGB/2007/11, section 1.1.

2. The report summarises the activities of the Ethics Office in each mandate area, and reflects its vision for programme enhancement and embedding ethics in business processes and decision-making, in line with the shared value of 'operating with unwavering integrity'.

3. The Ethics Office functions on the principles of independence, impartiality and confidentiality, and seeks to reinforce UNDP values of integrity, transparency, accountability, mutual respect, professionalism and results orientation through principled performance. Committed to supporting the adherance of UNDP personnel to the highest standards of integrity as required by the Charter of the United Nations, in 2016 the Ethics Office continued to develop and roll-out an ambitious ethics programme designed to engage UNDP senior leadership, management and staff, and positively impact upon the work of the organization. At its core, the promotion of ethical behaviour and decision-making at all levels of the organization serves to strengthen UNDP's operations and programmes, and protect the reputation of the organization.

4. As in prior years, the Office undertook activities within its following areas of responsibility: (a) standard-setting and policy support; (b) ethics training, awareness-raising and outreach; (c) providing confidential advice and guidance to staff and management on ethics issues and ethics-related policies; (c) administering the financial disclosure programme; and (d) administering the protection against retaliation policy. The Office additionally continued to collaborate with the Ethics Panel of the United Nations (EPUN) and the Ethics Network of Multilateral Organizations (ENMO) to harmonize ethics policies and practicies within the United Nations system.

5. In 2016, the Ethics Office received 836 requests for its services, the highest number ever received and a 30 per cent increase from the 643 requests received in 2015. Figure 1 below provides a breakdown of requests for services received by the Ethics Office for the 2016 reporting cycle.

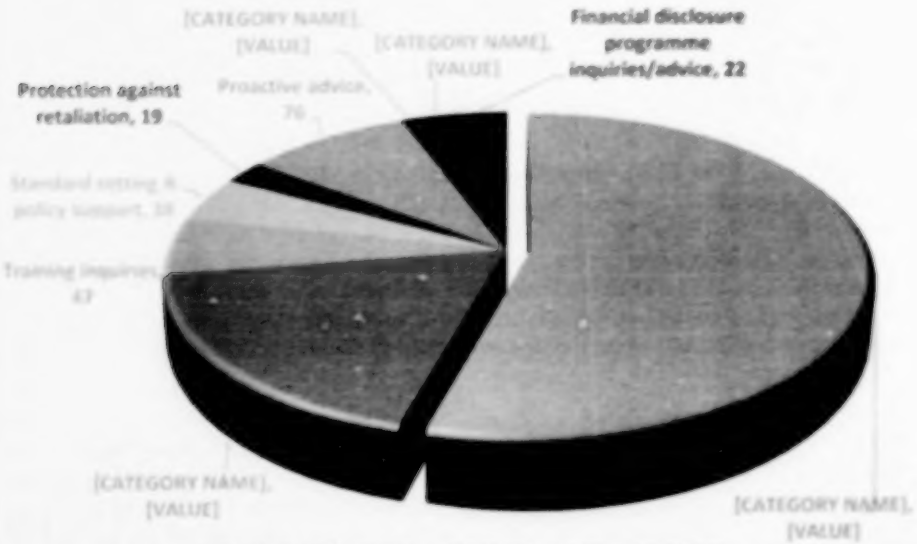
6. Although it is staffed with a small team - a Director, Ethics Adviser, and an Administrative Assistant - the Ethics Office has handled significant yearly increases in service demands while concurrently developing and implementing proactive and innovative ethics initiatives. Despite the increased demands placed on the Office, it has remained fully responsive to all staff and business unit requests, and continues to provide timely and quality services. To maintain its effectiveness, and to further consolidate and expand its provided ethics services, the Ethics Office continues to seek additional staffing support in the form of a Junior Professional Officer or United Nations Volunteer.

7. Other notable results the Ethics Office achieved during the reporting period include: responding to 454 requests for confidential ethics advice and guidance; conducting reviews of multiple UNDP policies, processes, and practices to facilitate incorporation of ethics considerations; reviewing 1,293 financial disclosure statements in record time; conducting outreach missions to multiple duty stations;

organizing and/or delivering face-to-face ethics training for over 1,200 personnel; and finalizing UNDP's first 'Code of Ethics'. The Office continued to provide tailored ethics briefings to senior management, and made innovative use of social media platforms to share information and promote a culture of ethics, transparency and accountability within UNDP. The proactive, practical and focused engagement of the Ethics Office at all levels of the organization continues to strengthen its ability to positively influence UNDP policies, managerial practices, and staff conduct.

8. The Ethics Office has found its efforts to embed ethics values and standards within the programming and operations of the organization have been embraced by staff and senior management alike. Across the organization, ethics is recognised as a critical component of UNDP service delivery. UNDP senior leadership and other personnel in the Business Unit and at country office and regional office levels continue to seek out the services of the Ethics Office to ensure that business decisions are appropriately guided and informed by applicable ethics standards, and that individual conduct (be it performed in an official or personal capacity) complies with the organization's ethical expectations and requirements.

Figure 1. Requests for advice and other services by category, 2016



REQUESTS FOR ADVICE AND OTHER SERVICES, BY CATEGORY 2016

II. Administrative activities

9. Despite the broad scope of its activities and responsibilities, the Ethics Office continued to operate with a small number of staff members, and faced additional pressures in 2015 and 2016 as a result of internal staffing changes. As a consequence of the resignation of the Ethics Adviser in 2015, the Ethics Office operated with only a D1 Director and a G6 Administrative Assistant from August 2015 to March 2016. During this seven month period the Director handled all substantive ethics matters for the organization. Although the arrival of a new Ethics Adviser in March 2016 significantly increased the capacity of the Ethics Office to deliver services it continues to face staffing challenges. Having previously operated from 2009 to 2014 with a Junior Professional Officer (JPO), 2016 marked the second consecutive year the Ethics Office functioned without a JPO despite UNDP's repeated placement requests made to Member States. In 2016, the Ethics Office also inquired about the possibility of securing the services of a United Nations Volunteer, but such an arrangement without Member State funding support would have significant, negative budgetary implications for the Office.

10. In 2016, the total budget for the Ethics Office remained static although the *pro rata* portion of the budget reflecting operating expenses for the Office was slightly below $200,000 (where it had remained constant for the prior seven years). The concern is that given staffing costs and operating expenses increase year over year, having the budget remain constant effectively causes the unit to operate more creatively with less funds available, and risks a concomittant reduction in services.

11. Regardless of staffing and budget constraints, the Office continued to serve in 2016, together with the Adminstrator, as the essential advocates of the ethical values of the organization, seeking to achieve maximum impact through strategic and innovative programmes and initiatives.

III. Mandated activities

12. In 2016, the Ethics Office remained fully engaged in leading the effort to promote and strengthen ethical practices and the ethical culture throughout the organization, meeting or exceeding its objectives under each of its functional areas of responsibility.

A. Standard-setting and policy support

13. During the reporting period, the Ethics Office continued to provide significant assistance in organizational policy development upon the request of management, or through its proactive engagement with relevant business units. In identifying ethics and integrity issues in close collaboration with relevant UNDP units, the Office facilitated the integration of ethics considerations and standards into evolving UNDP policies, guidelines, and operating procedures. However, the Office also provided substantive input that transcended ethics considerations, where and when appropriate.

14. Pursuant to its mandate to advocate for ethics standard-setting, the Ethics Office worked closely with the cross-organizational Working Group on the Prevention of Sexual Exploitation and Abuse (PSEA) to improve and harmonize organizational policies and practices in light of the *Report of an Independent Review on Sexual Exploitation and Abuse by International Peacekeeping Forces in the Central African Republic*[1]. Part or the collaboration included the development of a new PSEA training module for UNDP personnel, and the creation of awareness raising materials.

[1] The Working Group is comprised of members from UNDP, UNFPA, UNOPS, the United Nations Children's Fund (UNICEF), the United Nations High Commissoner for Refugees (UNHCR) and the United Nations Secretariat.

15. In 2016, a Workplace Harassment Working Group - led by the Bureau for Management Support and including the Ethics Office - finalized new procedures to promote greater transparency and accountability in addressing allegations of workplace harassment and abuse of authority, as well as to facilitate a more effective resolution of issues that give rise to such claims. The Working Group was established pursuant to a 2014 Ethics Office management recommendation to the Executive Board.

16. Under the new procedures announced in December 2016, the Office of the Ombudsman for United Nations Funds and Programmes will centrally administer and track individual cases involving harassment and abuse of authority allegations to ensure their effective management and disposition. The Office of the Ombudsman, the Ethics Office, the Office of Audit and Investigations (OAI), and the Office of Human Resources (OHR) will meet quarterly to discuss and address any systemic issues that arise from such allegations, as well as to consider further improvements to UNDP's response to such matters. As per the Ethics Office's noted 2014 management recommendation, the new procedures are ultimately intended to remedy identified shortcomings in existing policies and practices, thereby strengthening UNDP's culture of ethics and integrity. It is important to distinguish, however, that when actual misconduct is identified, OAI will step in and conduct a full investigation.

17. The Ethics Office also contributed to the development of UNDP's 2016 Global Staff Survey (GSS), which measures organizational performance from the perspective of staff. The Ethics Office substantially edited and added ethics-related questions devised to gauge staff perceptions of ethics and integrity within the organization. Data gathered from the 2016 GSS will be used by the Office in its engagement with UNDP bureau and country offices to identify specific areas of ethics concerns, and to develop targeted interventions. Information from the survey will also be incorporated into the development of country-specific ethics training and awareness-raising programmes.

18. In 2014, the previous Associate Administrator limited participation of the independent offices (including the Ethics Office) to quarterly Organizational Performance Group (OPG) meetings, focusing on accountability issues. The Ethics Office previously attended all regular OPG meetings to engage with senior leadership to support ethical-decision making at the highest levels of the organization, keep abreast of all major UNDP initiatives and policies, and to offer value and added insight on issues where the Director of the Ethics Office held relevant private sector expertise. In 2015, the Ethics Office issued a management recommendation in its Annual Report that its exclusion from regular OPG meetings be reconsidered.

19. In 2016, with support from the new Associate Administrator, the Ethics Office Director resumed attendance at any and all OPG meetings where the Director believed he could add value. Through participation in select OPG meetings (and through the submission of written comments) the Ethics Office provided substantive policy input on, *inter alia*, a significant number of matters under OPG review including, but not limited to, items such as: the Anti-Fraud Policy; the Policy and procedures on performance management and development; the Policy on delegation of authority; the UNDP Refreshed Gender Parity Strategy; the revised Policy on Recruitment and Reassignment of Internationally Recruited Staff; the Recruitment and Selection Policy; the Separation from Service – Termination of Appointment Policy; the Draft Risk Assessment Tool for High Net Worth Individuals; the revised guidance note on the participation of UNDP delegates in international conferences; the proposal to increase the maximum earnings limit for retirees; the Terms of Reference for the Disabilities Inclusive Development Evaluation; the proposed Risk Management Framework; the Non-Reimbursable Loan Policy (also as a result of a previous Ethics Office recommendation to management as reflected in prior years' annual reports to the Executive Board); and multiple other human resource and contract/procurement

policies affected by changes related to the Mainstreaming of Fast Track and Delivery Acceleration Package.

20. In accordance with decision 2010/17 of the Executive Board, the Ethics Office continued to provide conflict of interest vetting for candidates recommended for key UNDP oversight positions. During the year, the Ethics Office also briefed new Director-level (and above) staff employed at headquarters, and met with other senior officials as they visited headquarters or while in the field.

B. Training, outreach and awareness-raising

21. Training and awareness-raising are fundamental to the work of the Ethics Office. In addition to expanding ethical awareness and empowering staff to exercise ethical judgement, Ethics Office training emphasizes the pragmatic and 'business value' of ethics, and why acting with ethics and integrity is in the best interest of the organization. Because UNDP operates in high-risk environments around the world, staff adherence to the highest standards of ethical conduct is essential to both protect the integrity of UNDP's programmes, and to maintain the trust of Member States, donors, other stakeholders, and the public that UNDP serves.

22. UNDP's ethical culture is improved by its leadership's visible adherence to ethical values and behaviour. Separate ethical leadership training by the Ethics Office reinforces 'tone at the top' and 'mood in the middle' (mid-level managers who handle day-to-day operations), reminding those with managerial responsibilities they must exhibit role-model behaviour.

Online course and related modules

23. The Ethics Office's training programme includes an on-line ethics course, *Ethics and Integrity at UNDP*, which was first introduced in 2015 in English, French, and Spanish. The course addresses real-world ethical situations faced by staff in their daily work, and is designed to promote ethical decision-making, and a common understanding of applicable standards of conduct. Though initially available to staff on a voluntary basis, upon Ethics Office engagement with senior leadership the course was made mandatory in 2016 for all staff members, with a stipulated end of year completion date. As of 31 December 2016, 3949 staff members had completed the course.

24. Because management recognized the importance of ethics training for all UNDP personnel, it was decided the on-line course would also be made mandatory for service contract holders. Due to certain technical restrictions however, service contract holders will not have to complete the course until 2017. Nonetheless, 2373 service contractors and other non-staff member personnel completed the course in 2016.

25. As previously reported, the Ethics Office (in partnership with OHR's Learning Management Group) introduced (in English, Spanish and French) three supplemental, on-line ethics mini-courses in 2015 on (a) protection against retaliation, (b) the financial disclosure programme, and (c) avoiding conflicts of interest. Completion of these courses is voluntary, and, as of 31 December 2016, 156 individuals had completed the conflict of interest course, 158 had completed the protection against retaliation course, and 153 had completed the financial disclosure programme course.

26. In 2016, the Ethics Office completed its collaboration with the United Nations Volunteers (UNV) to adapt *Ethics and Integrity at UNDP* for the UNV staff population. The knowledge sharing and capacity building that took place across organizations harmonized policies and procedures, and fostered a common understanding of ethical standards and expectations. The UNV-specific ethics training course was launched in August 2016.

Face-to-face workshop and webinars

27. The Ethics Office views its outreach and in-person training initiatives as a crucial means to broaden awareness of its services, enhance staff understanding of ethics considerations and requirements, and to listen directly to the ethics-related concerns of field-based staff. Such sustained staff and management engagement on ethics matters remains a central component in strengthening and consolidating an ethical culture across UNDP.

28. In 2016, the Ethics Office continued its focused delivery of in-person ethics workshops, briefings, and ethical leadership sessions. In order to reach as many individuals as possible, and to most effectively utilise its limited resources, the Office conducted several missions to field locations; a small number of sessions were conducted by a training vendor where it proved cost-effective to do so, or in-language training was required. The Office also held live-via-the-web trainings from headquarters (at times most convenient to the offices in question), so as to avoid costly travel when feasible. Among country offices trained in 2016 were Botswana, Namibia, Zimbabwe, Haiti, Bosnia, Bolivia, Uzbekistan, and the Ukraine. Additionally, the Ethics Office presented sessions at regional cluster meetings held by the Regional Bureau for Arab States, the Regional Bureau for Europe and the CIS, and the Regional Bureau for Africa, as well as at meetings for Human Resources, Finance, and Operations Managers organized by the Regional Bureau for Latin America and the Caribbean, and the Regional Bureau for Asia and the Pacific. The Ethics Office also conducted two separate workshops for incoming Junior Professional Officers, a briefing for the Independent Evaluations Advisory Panel, and for a visiting delegation from the UK's Department for International Development (DFID).

29. As a result of the Office's ethics presentations, including provision of training via Skype at all hours to best serve target audiences in their specific time zones, staff and senior leadership in country offices and regional bureaus regulary follow-uped with the Ethics Office for additional advice and guidance.

30. To ensure that ethics training remains responsive, relevant, and dynamic, during 2016 the Ethics Office continued to refine and tailor its workshop and leadership training decks to the specific needs of each office by focusing, *inter alia*, on country specific political contexts, and country-level Global Staff Survey results. This approach led to increased engagement among audiences and leadership teams who better appreciated how ethics applies to their work, and ways they can improve and strengthen the ethical culture in their office. Following outreach missions, the Ethics Office also assisted country offices in developing action plans to improve ethical practices at their locations based on the information gathered from the training and consultation sessions.

31. In total, approximately 1,250 staff members and other personnel participated in face-to-face ethics workshops, group briefings, panel discussions, and live/web-based training sessions in 2016. This is consistent with the number of individuals who received in-person ethics training in 2015.

Senior management briefings

32. Because the conduct and decisions of senior officials have a direct and lasting impact on UNDP's culture of ethics, integrity, and accountability, in 2016 the Ethics Office continued to proactively engage UNDP leadership to ensure that ethics considerations remain central to the management of the organization. In addition to being regularly approached by senior leadership for confidential and pragmatic ethics advice on sensitive business matters, the Ethics Office regularly participated in training sessions for new Executive Board members, new resident coordinators/resident representatives, and new country office directors and their

deputies. The Office also continued to provide individual ethics inductions and briefings for newly appointed executives at the D1 level and above.

33. While again noting that an ethical culture is significantly advanced by senior leadership being seen to adhere to ethical values and conduct in their daily work, the Ethics Office also maintained its focus on the leadership responsibilities of middle management. Whether it is overseeing the day-to-day operations of the organization or engaging with staff at the gound level, individuals holding middle management positions are particularly situated to serve as models of ethical performance and behaviour for UNDP's global workforce.

34. In delivering its ethics leadership training, and to achieve maximum impact, in 2016 the Ethics Office continued to emphasize the pragmatic, business value of ethics, and why ethical behavior and ethical decision-making makes good business sense. Our continued participation in, and visibility at, the leadership Regional Cluster meetings has proven invaluable in reinforcing the critical importance and pragmatic value of ethics in all aspects of UNDP operations. As the organization's reputation and ability to effectively engage with stakeholders and donors ultimately depends upon the actions and performance of its personnel, it is imperative that the conduct and decision-making of staff and management alike is guided by the highest standards of ethics and integrity.

Awareness-raising and communication activities

35. An essential component of the Ethics Office's training, outreach, and awareness-raising mandate is the production and distribution of ethics information and guidance materials. To strengthen organization-wide awareness of ethical obligations and applicable standards of conducts, the Office has leveraged new communication tools and prioritised the development of accessible resource materials.

36. The Ethics Office utilises multiple channels to deliver ethics information and promote ethics education, including the use of social media and global staff broadcasts. In 2016, the Ethics Office creatively exploited social media to communicate across the organization that ethics constitutes an integral part of UNDP business practices and operations. To increase ethics awareness and discussions within UNDP, the Ethics Office expanded its use of Twitter and Yammer (an internal UNDP social network). The Office specifically used these platforms to circulate ethics articles, surveys, and opinion pieces so as to reinforce amongst staff and management the importance of keeping ethics considerations at the heart of their work, and highlight the practical value and application of ethics in day-to-day interactions. Within Yammer, the Office also created an 'Ethics' discussion group where individuals can pose questions to the Ethics Office, or seek guidance on ethics issues affecting the organization. This initiative has been positively received, and serves as another essential tool to strengthen the ethical culture within UNDP. Since it was launched the Director's Twitter account has posted 224 'tweets' and has garnered 160 followers. Yammer does not offer tracking, but the number of posts and followers is roughly equivalent to those in Twitter.

37. In addition to regularly distributing ethics articles and information via social media, the Ethics Office continued to send e-mails and bulletins to UNDP personnel and leadership on ethics related issues. Of note, in August 2016 the Office issued a detailed information bulletin on Political Activities, with a particular focus on the need for all personnel to refrain from involvement in any activities that could comprise their obligations of integrity, objectivity, independence, and impartiality. The bulletin, published in English, French, and Spanish, resulted in a significant number of inquiries from individuals across UNDP, particularly with regard to a number of contentious political events that occurred in 2016. The consisent, focused and proactive engagement of the Office with all UNDP personnel on such matters demonstrates the Office's importance in supporting ethical conduct, and protecting the

integrity and reputation of the organization. Such broadcasts continue to drive requests for the Office to directly address region, country and business unit teams.

38. During the reporting period, the Ethics Office completed and circulated for internal review UNDP's very first 'Code of Ethics'. Given there is currently no existing UNDP document that references all of the policies and procedures impacting upon on UNDP's ethical culture, the Code of Ethics consolidates relevant ethical standards and expectations for all UNDP personnel. Designed as an interactive, on-line document, the Code is highly engaging with eye-catching graphics and comprehensive hyperlinks to ethics-related resources, policies, rules, regulations, and trainings. Upon its formal adoption by the OPG, it is anticipated that the Code will be released by mid-2017. The Code will be officially launched in conjunction with a robust awareness campaign, and will subsequently serve as an essential component of Ethics Office trainings, briefings, and messaging.

39. In 2016, the Office additionally drafted a new, on-line publication entitled 'Where To Go When'. This document will serve as a comprehensive reference guide outlining the various support offices and services available to UNDP personnel. For each identified resource, including the Ethics Office, the Office of the Ombudsman, the Office of Audit and Investigations, the Office of Staff Legal Assistance, and others, the guide provides information on respective mandates, policy documents, and contact details. The consolidation of resource information in a single publication is intended to enhance both organizational efficiency and accountability. As with the Code of Ethics, the reference guide is expected to be released by mid-2017.

40. The Ethics Office's new, on-line information brochures on (a) avoiding conflicts of interest; (b) protection against retaliation; (c) the financial disclosure programme, and; (d) an overview of the Ethics Office, were also broadly released in 2016. The Code, reference guide, and brochures all break from the UN practice of expensive, printed documents, and instead serve as user-friendly, interactive, on-line materials, as per best practice in the ethics field in the private sector.

41. In addition to regularly updating its intranet site to provide staff and managers with easy access to ethics policy documents and guidance materials, the Ethics Office collaborated with UNDP's Bureau of External Relations and Advocacy, and the Office of Information Management and Technology, to develop an ethics web page on UNDP's website. The launch of a publicly accessible page, in early 2017, will enhance UNDP's reputation as one of the most transparent agencies in the UN family, and remedy an existing gap in its ethics programme.

42. In 2016, the Ethics Office also redesigned several small promotional items intended for distribution at its ethics workshops and trainings. This included smaller and more discreet 'Ethics Champion' lapel pins, and note pads with ethics specific messaging. These materials reinforce ethics lessons, and remind all personnel to keep ethics considerations at the forefront of their daily work.

Other awareness-raising activities and briefings

43. In 2016, the Ethics Office continued to deliver third party ethics presentations to UNDP government partners. A headquarters-level briefing was given to a Government of Egypt anti-corruption delegation on the role of ethics programmes in preventing corruption. The Office further presented at a civil service code of conduct workshop in Tashkent, Uzbekistan (organized by the General Prosecutor's Office of the Republic of Uzbekistan, UNDP, and the Organization for Security and Cooperation in Europe). The involvement of the Ethics Office in such activities reinforces UNDP's position as a leader in organizational ethics, and supports the organization's engagement in institutional capacity building and good governance initiatives.

C. Confidential advice and guidance

44. UNDP's ethical culture ultimately drives how individuals behave, how decisions are made, and how the organization is perceived by its personnel, suppliers, donors, Member States, and the public that it serves. From the perspective of its business operations and its public reputation, it is therefore imperative UNDP demonstrates a positive, ethical culture committed to fairness, accountability, and transparency, and holds itself and its personnel to the highest standards of integrity.

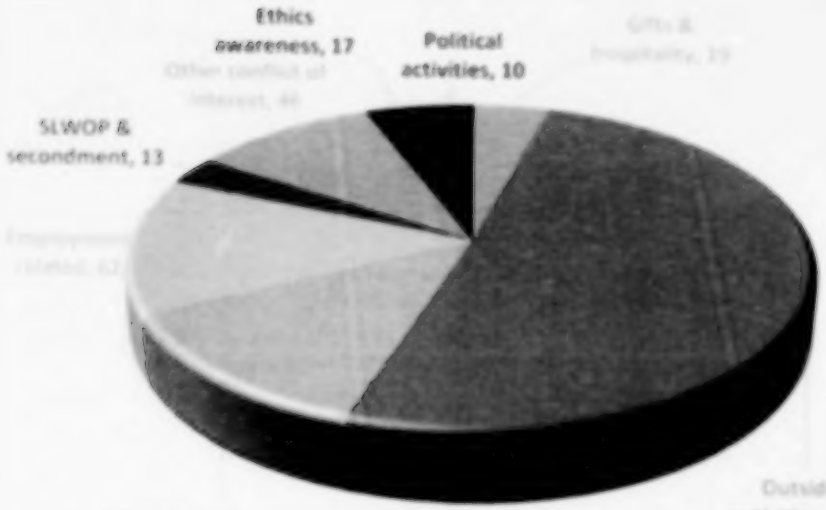
45. The provision of confidential ethics advice and guidance is a critical function of the Ethics Office. In providing impartial and pragmatic feedback to staff members, contractors, and management on the appropriateness of certain actions, and by clarifying institutional expectations pursuant to applicable rules and regulations, the Ethics Office enables personnel to make better decisions that advance the values, principles, and interests of UNDP. The provision of ethics advice prepares personnel to better identify and manage potential conflicts of interest and resolve ethical dilemmas, which strengthens the ethical culture of UNDP and the need to avoid *even the appearance* of impropriety. Access to the confidential services of the Office further provides UNDP personnel with a safe haven within which they can raise concerns, and also to alert the Ethics Office to situations that may require remedial action in order to mitigate any harm to the individual or the organization. In assisting personnel to navigate complex workplace issues and to take appropriate courses of action, the Office's advisory function serves to protect the integrity and credibility of UNDP's operations and, by extension, its public reputation.

46. Since 2013, the number of UNDP personnel seeking ethics advice and guidance from the Ethics Office has steadily increased (see Figure 2 below). In 2016, the Ethics Office fielded 836 requests for services, of which 454 were for ethics advice. This represents the highest number of requests ever received in the history of the Ethics Office, and reflects a continuing upward trend directly attributable to the Office's proactive efforts to enhance and expand its training, outreach, and awareness-raising initiatives, and ethics messaging (by way of comparison, in 2015 the Ethics Office received 643 requests for services, of which 431 were for ethics advice). The year-by-year growth in demand for ethics advice and guidance reflects the value staff and management attach to having a confidential mechanism where they can address their ethics-related concerns, as well as the quality of the advice provided. Recognizing the practical value and trustworthiness of the Office's advice, personnel regularly approach the Office before actions are taken in order to avoid unintended or unanticipated consequences. Pursuant to the trust placed in its services, the Office continues to maintain and cultivate interaction with personnel so as to dispense effective, pragmatic advice, and advance the interests and objectives of UNDP.

Figure 2. Ethics advice as a component of total services, 2013-2016

47. Fifty-eight per cent of all requests for Ethics Office services during the reporting period pertained to ethics advice and guidance. As shown in Figure 3 below, relevant advice matters included Office reviews of outside activity requests, and the provision of advice and guidance on, *inter alia*: the acceptance of gifts, awards, and hospitality; actual or potential conflicts of interest; political activities; protection of UNDP information and assets; employment-related concerns; and misconduct reporting procedures. When advising on such matters, the Ethics Office additionally plays a critical risk prevention function within the organization.

Figure 3. Ethics advice breakdown, 2016



D. Financial disclosure programme for the 2015 transaction year (filed in 2016)

48. The Ethics Office administers UNDP's annual financial disclosure programme, reviews disclosed information, verifies information provided, and dispenses advice and guidance to manage and mitigate any disclosed or detected conflicts of interest. During 2015, the Office introduced an on-line financial disclosure programme training module serving focal points and heads of business units in their efforts to identify and register individuals who meet the criteria for filing. To date, 153 individuals have completed this training, thereby helping to reduce the number of inquiries and interactions directed to the Ethics Office regarding the proper identification of filers and the operation of the programme.

49. The financial disclosure programme is designed to assist the organization in detecting actual and potential conflicts of interest between a staff member's (or service contractor's) private interests and their official duties and obligations. The programme's primary purposes are to ensure that the independence and impartiality of UNDP personnel are preserved in official decision-making, and promote transparency and public trust in UNDP. Staff regulations require all staff at the D1 level and above, plus other designated staff members to file a financial disclosure statement concerning themselves, their spouse, and their dependent children upon appointment and annually thereafter. Filers may also be required to participate in a verification process to authenticate the accuracy and completeness of the information submitted.

50. In 2016, the Ethics Office rolled out its tenth annual financial disclosure exercise, covering the 2015 transaction year but because of an upgrade to the programme's electronic filing platform (to enhance confidentiality and information security), the exercise was launched in May 2016. In 2016, 1,293 filers participated in the programme (down from 1,375 in 2015). The Office finalized all reviews and provided required advice and guidance by August 2016, thereby completing the process in

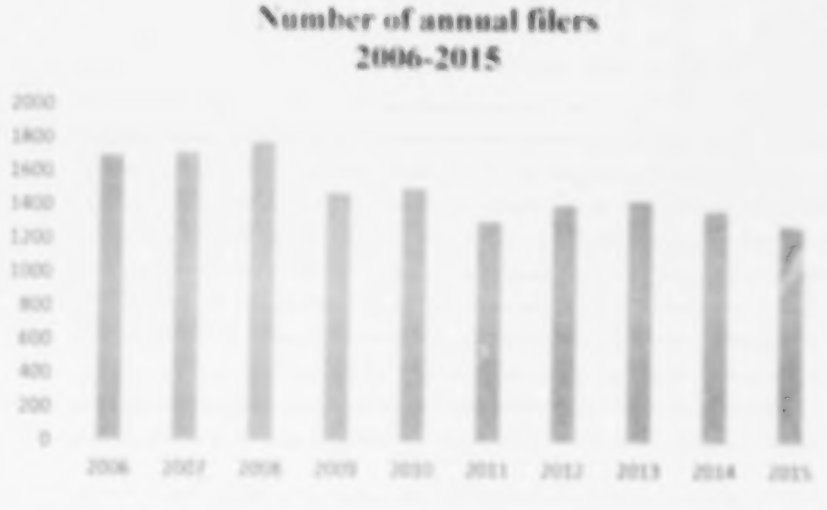
record time. As in previous filing cycles, the programme achieved a 100 per cent compliance rate.

51. Subsequent to the inclusion of service contract holders in the programme in 2015, 54 service contractors who met filing criteria participated in the 2016 filing exercise. Although this number is relatively low (given service contractors are typically not placed in positions with filing obligations such as procurement), their inclusion is an important advancement in ensuring the complete and organization-wide coverage of the financial disclosure programme.

52. In 2016, the Office again conducted real-time reviews of financial disclosure statements upon submission. This established practice of conducting reviews at the time of filing has (a) greatly enhanced timely and efficient communication with filers; (b) enabled the Ethics Office staff to promptly request additional information or clarifications; and (c) facilitated the provision of immediate guidance to filers on required actions to mitigate potential conflicts of interest.

53. Figure 4 below depicts the evolution in the number of financial disclosure programme filers since the programme's inception in 2006. After a peak year in 2008 - and following a revision by the Ethics Office of the methodology for identifying individuals who are required to file - the number of filers has leveled out and remained in the range of 1,300 to 1,400 filers per year.

Figure 4. Number of financial disclosure policy annual filers from 2006 to 2015



54. Figures 5 and 6 below show the percentage of financial disclosure programme filers by rank and function for the 2015 transaction year. As with prior filing cycles, middle management and those with procurement functions constitute the largest percentage of filers.

Figure 5. UNDP financial disclosure policy filers by rank, 2015

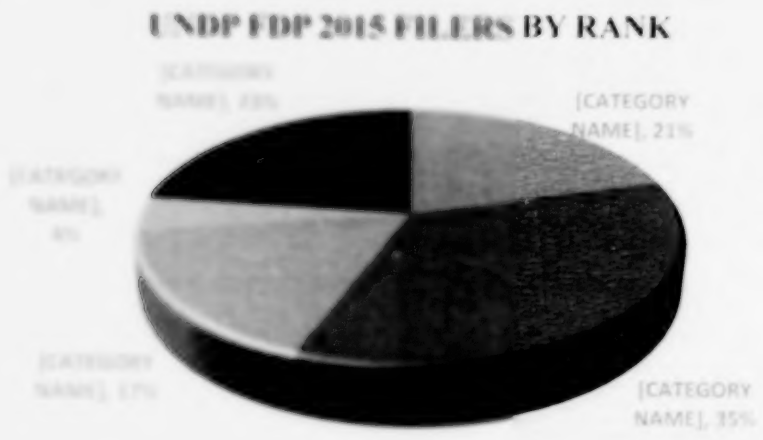
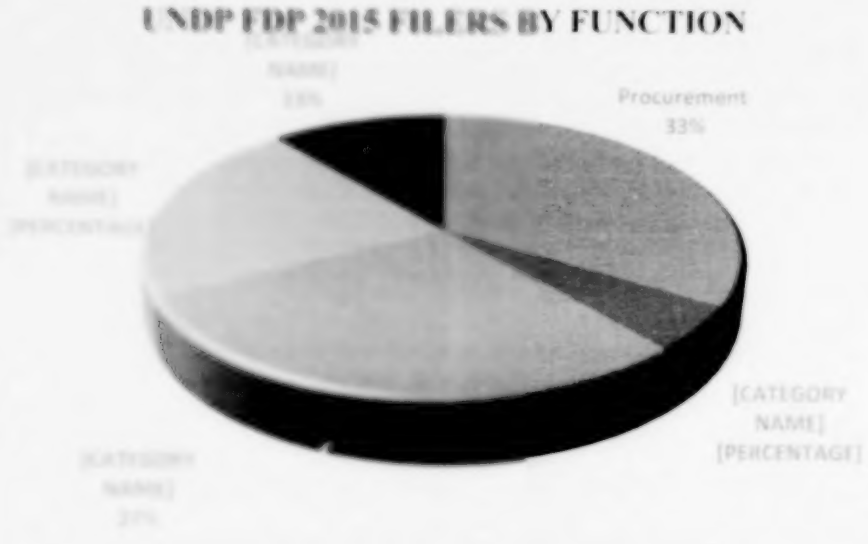


Figure 6. UNDP financial disclosure policy filers by function, 2015



Review of data and provision of advice

55. The review of financial disclosure programme statements followed a three step approach. Individual statements were first vetted to ensure complete information was provided. In the case of incomplete or unclear information, the filer was contacted to provide additional information or clarification. Secondly, disclosures were compared against a restricted list of UNDP vendors and investment funds. The third step involved an examination of declared outside interests and activities against relevant

prohibitions or restrictions contained in United Nations staff regulations and rules. Taking into consideration the work location and official functions of the relevant filer, all reviews were conducted for the purpose of identifying actual and potential conflicts of interest and, where conflicts were detected, providing remedial or proactive advice.

56. In 2016, the Ethics Office provided advice to eight (8) filers in cases where an apparent conflict of interest was detected. The majority of these cases involved filers engaged in unapproved outside activities. In these cases, each filer was advised of their obligation to seek official approval from within UNDP. Once the filer did so, the Ethics Office vetted each outside activity request and made a recommendation to management regarding whether the request should or should not be approved.

57. In forty-eight (48) cases, proactive advice and guidance was provided on managing or mitigating potential conflicts of interest so that actual conflicts of interest could be avoided. A significant number of these cases involved UNDP staff members with spouses employed at governmental agencies, non-governmental organizations, or UNDP vendors/suppliers at the same work location.

Verification of financial disclosure programme statements

58. While the Ethics Office dispensed with the financial disclosure verification exercise in 2015 as a consequence of staffing shortages at that time, verification was reinstituted in 2016 with the arrival of the new Ethics Adviser. As with prior exercises, the Office randomly selected a small number of filers for verification by using a stratified sample representative of the total filing population (taking into consideration location, grade, and gender).

59. Since verification participants are required to submit third party documentation for each item disclosed in their financial disclosure statements, the Ethics Office engaged in robust follow-up with participants to ensure the completeness of provided information. The exercise was initiated in August 2016 and completed in October 2016 upon the receipt of satisfactory verification documentation from all selected participants.

Secretary-General's voluntary public disclosure initiative

60. The United Nations Ethics Office administers the Secretary-General's voluntary public disclosure initiative for senior officials at the assistant secretary-general level and above. In 2016, the UNDP Administrator, Associate Administrator, and several members of UNDP's senior management team took part in the exercise.

E. Protection of staff against retaliation for reporting misconduct and/or for cooperating with duly authorized audits or investigations

61. In accordance with the Secretary-General's bulletin ST/SGB/2007/11, *United Nations System-Wide Application of Ethics: Separately Administered Organs and Programmes*, the Ethics Office administers UNDP's policy for protection against retaliation. The policy is both a whistleblower protection programme and a risk management mechanism that encourages individuals to report misconduct and/or cooperate with duly authorized audits and investigations, without fear of reprisal. In promoting, and providing protection for, such reporting, the policy enhances UNDP's ability to address alleged wrongdoing at an early stage, thereby strengthening institutional accountability and public trust. Since early 2013, the policy extends protection beyond staff members to include contractors, United Nations Volunteers serving in UNDP, and interns. This comprehensive coverage is in accordance with

whistleblower protection best practices, and is a necessary condition of a vigorous and effective protection against retaliation programme.

62. Pursuant to UNDP's policy for protection against retaliation, the Ethics Office receives complaints of retaliation and conducts preliminary assessments to determine if (a) a complainant engaged in an activity protected by the policy, (b) the action alleged to be retaliatory did occur, and (c) there is a *prima facie* case that the protected activity was a contributing factor in causing the alleged retaliation. If the office determines that a *prima facie* case of retaliation has been established, the matter is referred to OAI for investigation. The Ethics Office makes a final retaliation determination subsequent to its independent review of the OAI investigation report and supporting evidence.

63. During the reporting period, the Ethics Office received 19 inquiries regarding the policy for protection against retaliation. While this equals the number of inquiries received in 2015, there has been a marked increase in such inquires when compared to earlier years (e.g., 22 inquiries were received between 2011 and 2013). As with the increase in all received Ethics Office service requests, the noted increase in protection against retaliation inquires is attributable to the Office's considerable efforts to expand outreach activities and raise awareness amongst all UNDP personnel of applicable ethics standards and policies.

64. Of the 19 inquiries received, 17 involved requests for policy advice and information, including requests for clarifications on policy content and applicability. UNDP personnel that raised workplace concerns not covered by the policy were advised of other available resources and referred to appropriate offices, including the Office of the Ombudsman, OHR, and the Office of Staff Legal Assistance (OSLA). Having provided detailed advice for each of these inquiries, the Office maintained an 'open door policy' to those individuals in the event they subsequently wished to provide case updates or seek additional guidance. The Office furthermore provided advisory support to other UN system ethics offices on various protection against retaliation matters.

65. Of the 19 inquiries, two were formal complaints of retaliation, where complainants alleged they had been subjected to retaliatory action as a result of engaging in a protected activity. This is a reduction from 2015, when five complaints of retaliation were received. The drop in complaint numbers may be due to collaborative efforts undertaken in 2016 by the Ethics Office, the Office of the Ombudsman, OHR, and OAI to intervene and prevent a number of volatile workplace situations from deteriorating into potential retaliation matters.

66. Concerning the two retaliation complaints received in 2016, the complainant in one of these cases subsequently sought resolution of his matter via the confidential services of the Office of the Ombudsman. Noting that UNDP encourages the informal resolution of conflicts, the policy for protection against retaliation provides complainants the option of pursing informal resolution through the Office of the Ombudsman as an alternative to a formal complaint and investigation process.

67. For the other complaint received, upon preliminary assessment the Ethics Office determined a *prima facie* case of retaliation existed, and referred the matter to OAI for investigation. The matter was somewhat complicated because it involved an individual on a UNDP contract assigned to work for United Nations Department of Safety and Security (UNDSS). The Ethics Office recommended (and management instituted) interim protective measures to ensure the complainant did not suffer additional retaliation while the matter was under investigation. Protective measures included prevention of transfer, and inclusion in training programmes. Based on

subsequent review of the completed OAI investigation report and exhibits, the Ethics Office determined that the UNDSS Administration had failed to prove by clear and convincing evidence that it would have taken the same, alleged retaliatory action against the complainant absent the complainant's protected activity. On these grounds, the Ethics Office determined that retaliation had been established and issued permanent corrective measure recommendations to the complainant's management.

68. At its annual meeting in 2016, the Executive Board requested that, in the future, management advise the Board of remedies provided to complainants, as well as discipline accorded to retaliators. However in the instant matter discussions between the UNDP Legal Office and UNDSS management have not resulted in a satisfactory resolution of the matter. Specifically, in January 2017, UNDSS notified the UNDP Legal Office of its decision not to implement the recommendation of the Ethics Office that the complainant be transferred to his former position. Subsequent to this notification, the Ethics Office advised the complainant of recourse mechanisms available under the United Nations internal justice system to challenge the UNDSS decision. Further, UNDP has not been advised as to whether or to what extent the retaliator has been subject to discipline.

69. The existence of a work environment where all personnel are willing to speak out against wrongdoing without fear of being subjected to adverse action is a central component of a robust ethical culture. The Ethics Office continues to build awareness around UNDP's policy for protection against retaliation through in-person trainings, on-line ethics courses, and interactions with UNDP business units and senior management.

IV. The Ethics Panel of the United Nations and the Ethics Network of Multilateral Organizations

70. In 2016, the Office continued to participate in monthly meetings of the Ethics Panel of the United Nations (EPUN), which is comprised of the heads of ethics offices in United Nations funds, programmes and specialized agencies, and chaired by the Director of the United Nations Ethics Office. In addition to serving as as Vice-Chair of EPUN through September 2016 and supporting EPUN's mandate to promote harmonized ethics standards and policies, the Director of the Ethics Office remained an experienced and trusted source of ethics expertise for EPUN members. With a reputation for introducing innovative and engaging ethics initiatives within UNDP, the Director regularly shared with EPUN awareness-raising and programmatic materials developed by the Ethics Office, as well as topical ethics information from private and public sector sources.

71. In July 2016, the Director participated in the annual meeting of the Ethics Network of Multilateral Organizations (ENMO), which is composed of ethics officers from United Nations system entities, affiliated international organizations, and international financial institutions. The Director was again requested to address the meeting and co-chaired a panel on conflicts of interest prevention through interest disclosure and pre-employment vetting.

72. As a respected public and private sector expert on ethics and integrity matters, and in light of the innovative and leading work and accomplishments of the UNDP Ethics Office, ENMO members further elected the Director as its Chair for 2016/17 through to its next annual meeting in July 2017. In addition to being involved in organizing ENMO's 2017 annual meeting, this role will involve increased requests from ENMO members to the Ethics Office for ethics expertise, advice, and guidance.

V. Recommendations to management to strengthen the UNDP culture of integrity and compliance

73. In its decision 2011/24, the Executive Board called on the Ethics Office to issue recommendations to management on how to strengthen the culture of ethics, integrity and accountability in UNDP. Because of the (a) successful implementation in 2016 of all prior open Ethics Office management recommendations, including the establishment of new procedures to enhance the organization's response to workplace harassment and abuse of authority allegations, and the reinstatement of the Office at all regular OPG meetings, (b) achievements of the Office in 2016 in promoting and strengthening UNDP's culture of ethics, integrity, and accountability, and (c) overall improvement in responses to ethics-related questions in the latest UNDP General Staff Survey, the Ethics Office does not issue any specific management recommendations for the 2016 reporting period.

VI. Conclusion

74. Since 2012, the Ethics Office has been progressively modifying and improving its ethics progamme in order to meet or exceed the standards and best practices found in public and private sector organizations. In developing and introducing mandatory refresher on-line ethics courses; print-on-demand resources; targeted (rather than generic) in-person trainings to address country and regional risks and needs; real-time Skype briefings scheduled for country office work hours; and robust and dynamic communications outreach via social media, the Ethics Office significantly enhanced its proactive engagement with all UNDP personnel. In fortifying its working relations with, and providing comprehensive ethics service to, UNDP business units at the country office, regional bureau, and headquarters levels, the Ethics Office developed a reputation for dispensing informed and pragmatic advice that supports and strengthens the organization's ethical culture.

75. Despite continuing budgetary and staffing constraints, 2016 saw the highest number of service requests received and handled by the Ethics Office in the history of its operations. The number of these requests demonstrates the significant trust placed in the Office as a place to receive confidential ethics advice and guidance, as well as other services, and attests to the Office's critical role in consolidating and strengthening UNDP's culture of integrity and accountability. Through its expansive and innovative outreach activities, and its engagement with staff and management at all levels, the Office continues to ensure that ethics remains a guiding force behind the business operations of UNDP. Resolute in its efforts to assist the organization in preventing, mitigating, and managing ethical and reputational risk, the Office remains an essential and independent advocate of the organization's ethical values and principles.